

29th of March 2022

CAPITAL MARKETS DAY 2022

Wacker Chemie AG

Dr. Christian Hartel, CEO

Dr. Tobias Ohler, CFO

A dark blue background featuring a faint, stylized world map in a slightly lighter shade of blue. The map shows the continents and major landmasses.

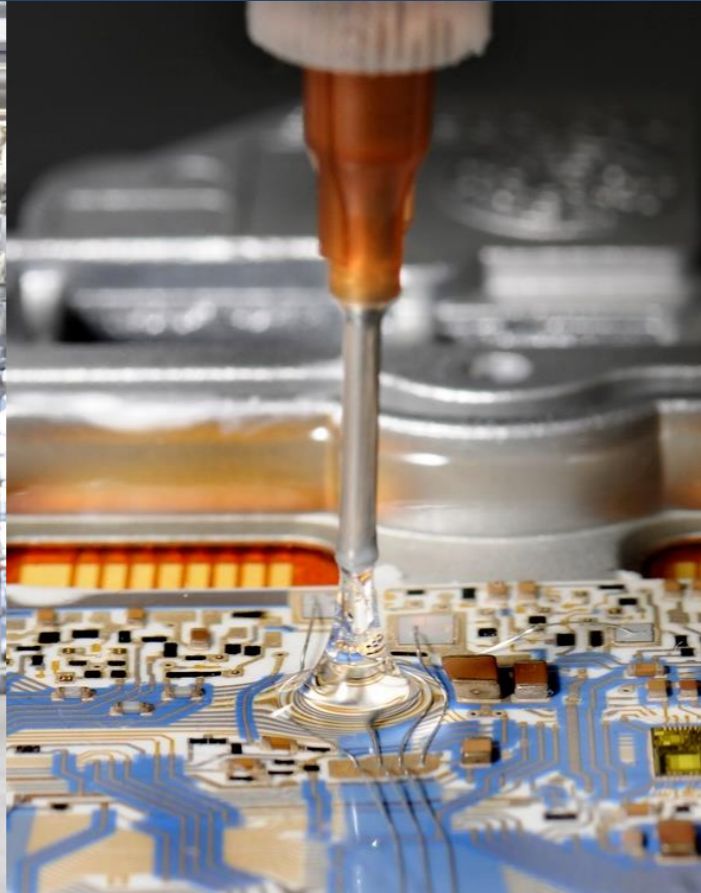
**ACCELERATING
PROVEN SUCCESSES
@ MAINTAINING RESILIENCE**

CREATING TOMORROW'S SOLUTIONS

**We have
great people**



**We develop
innovative
solutions**



**We are close
to our customers
in all regions**



**We have benchmark
quality and
best-in-class assets**



CREATING TOMORROW'S SOLUTIONS

We have
great people

We develop
innovative
solutions

We are close
to our customers
in all regions

We have benchmark
quality and
best-in-class assets

...and we are driven by a **COMMON PURPOSE:**

*Our solutions make a better world
for generations*

OUR SOLUTIONS MAKE A BETTER WORLD FOR GENERATIONS



ADVANCED BIOPHARMA



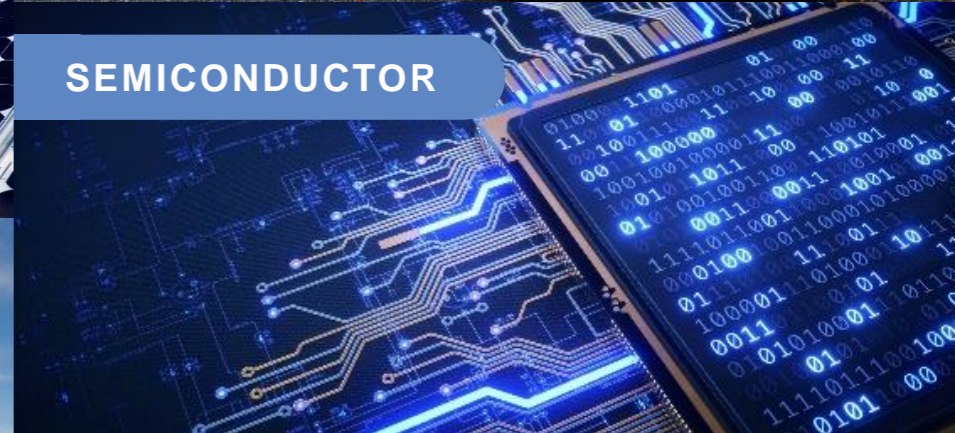
RENEWABLE ENERGY



HEALTH AND WELL-BEING



SMART CONSTRUCTION



SEMICONDUCTOR



RENEWABLES-BASED PRODUCTS



E-MOBILITY

CMDs FOR BIOSOLUTIONS AND POLYSILICON HELD IN 2021

BIOSOLUTIONS

We are a Leading Microbial and Advanced Medicines CDMO

POLYSILICON

We are Strong **#1** in Semi and Quality Leader in Solar

NEW: STRONGLY ACCELERATING GROWTH IN CHEMICALS

SILICONES

We are Global **#2** with Full Specialty Portfolio

POLYMERS

We are Global **#1** in VAE and Innovation Leader

Customer's first choice for innovative solutions

TARGETS 2030

SALES: > 10 bn EUR

VOLUME/MIX CAGR: 1.5 – 2 x Historic

ROCE: 2x Cost of Capital

EBITDA Margin: > 20%

CO₂e: - 50% Emissions

**CREATING
TOMORROW'S
SOLUTIONS**





PROVEN SUCCESSES

LEVERAGE PHASE COMPLETED WITH TRANSFORMATION TO FULL SPECIALTY SETUP

CHEMICALS

Specialty transformation

Strong profitability

Regional expansion

Focused investments

BIOSOLUTIONS

Biotechnology foundation

Innovation and technologies

Bolt-on acquisitions

Leading microbial and advanced medicines CDMO

POLYSILICON

High-end focus

#1 in semi

Improved mix

Reduced costs

SILICONES: TRANSFORMATION TO SPECIALTY SUPPLIER COMPLETED

We deliver unmatched performance in a wide range of applications

We have benchmark production and service close to our customers

We are our customers' first choice innovation partner in all regions

We are THE fully integrated specialty supplier

Sales in €m, Specialty Share

EBITDA
Margin

12%

21%



POLYMERS: OFFERING CUSTOMIZED SERVICES W/ GLOBAL FOOTPRINT

We drive performance-based substitution in global construction and binder markets

We support sustainability and smart construction as megatrends

We offer customized services in the regions to key accounts and regional champions

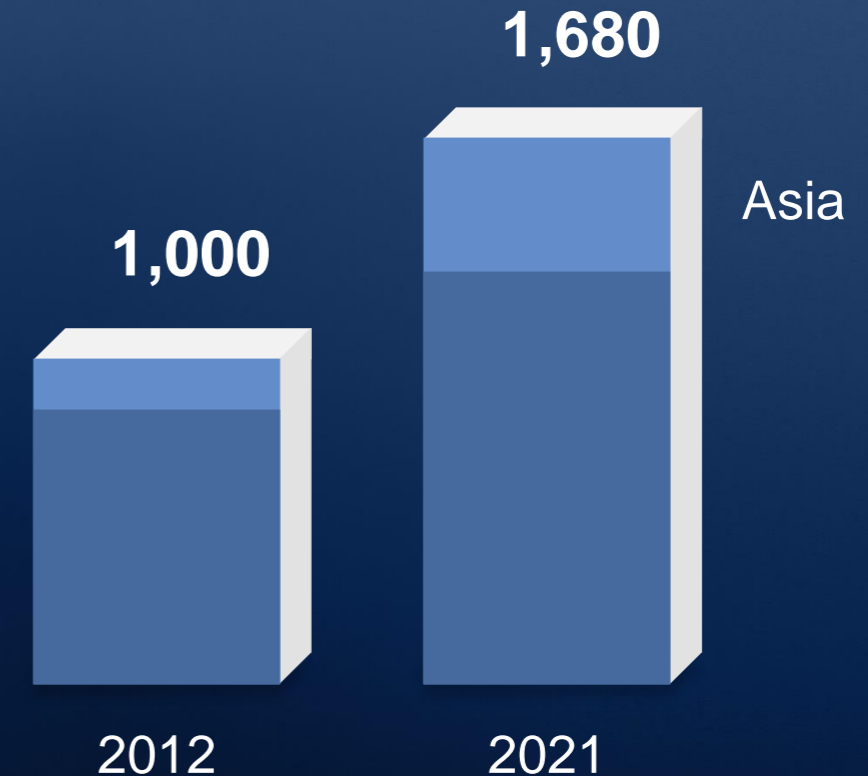
We are capacity leader with world-class tandems of VAE/DPP

Sales in €m, Asia Share

EBITDA
Margin

15%

15%



BIOSOLUTIONS: FAST GROWING BIOTECHNOLOGY BUSINESS CREATED

We are building a strong-growing
BioPharma CDMO

We have successfully acquired and integrated
four biotech sites during the leverage phase

We have jump-started into
Advanced Medicines

We support customers with leading microbial
manufacturing technologies

Sales in €m

EBITDA
Margin

16%

13%

155

300

2012

2021

13% CAGR
BioPharma
& Bio-
Ingredients

POLYSILICON: LEADERSHIP IN HIGH-END APPLICATIONS ESTABLISHED

We serve fast-growing demand for high quality semi-grade and solar material

We have doubled our semi volumes

We are the market leader for high-end solar

We have cut our cash costs by 25% since 2017

EBITDA in €m

EBITDA
Margin

26%

43%

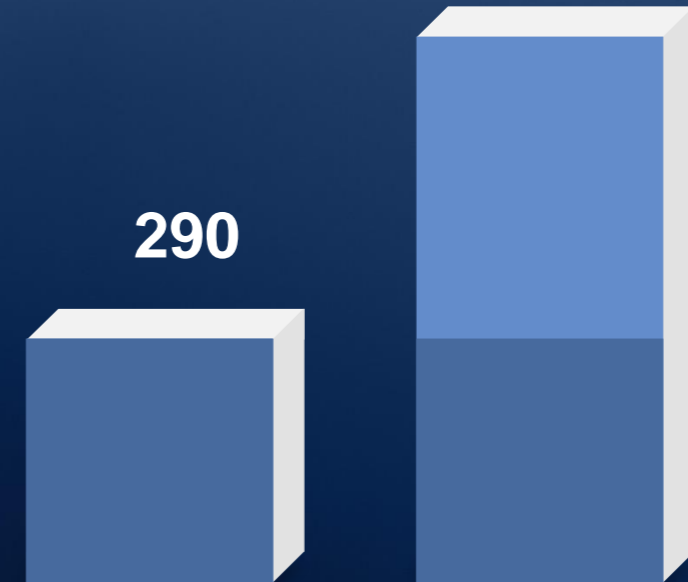
290

650

2017

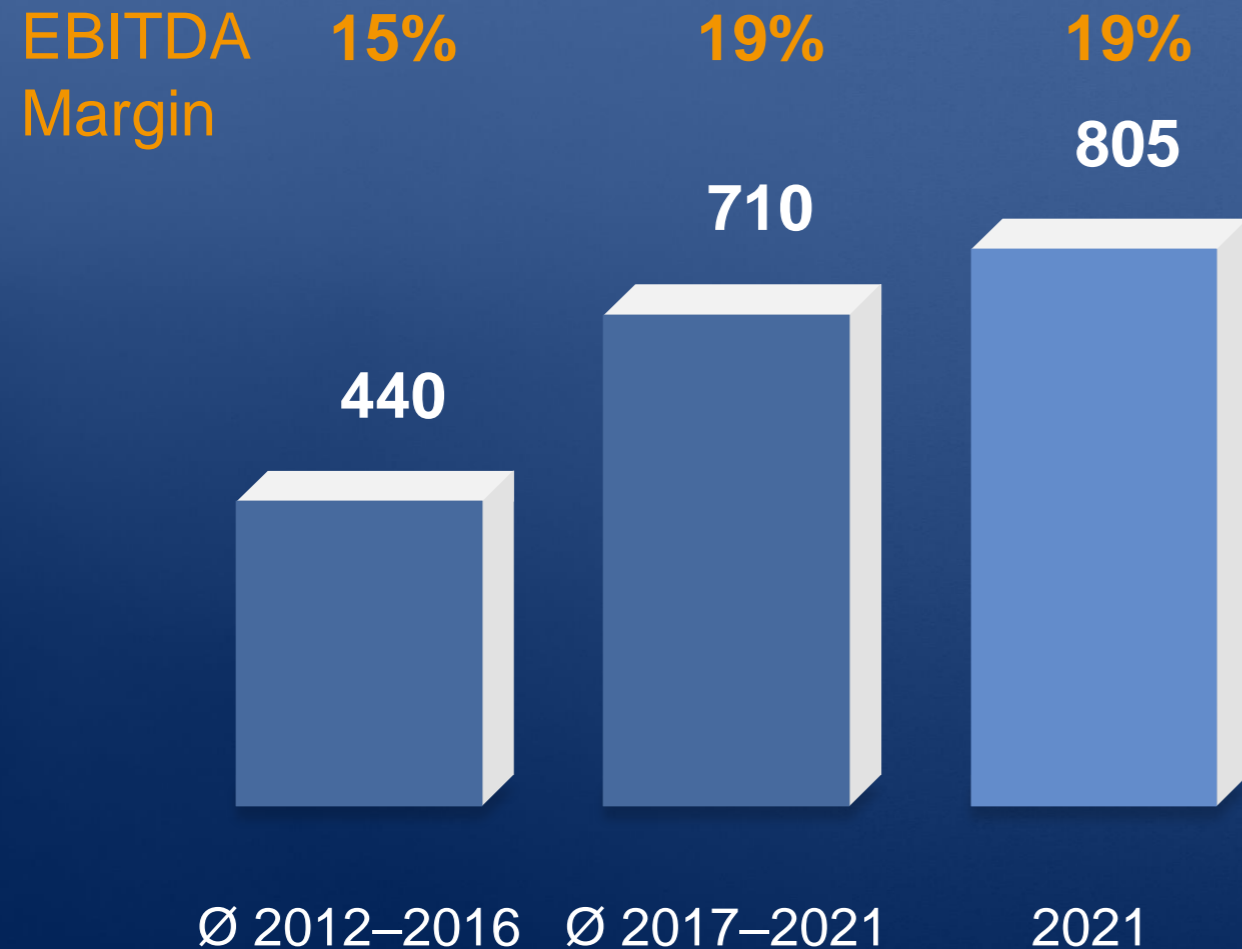
2021

Price
Mix
Cost

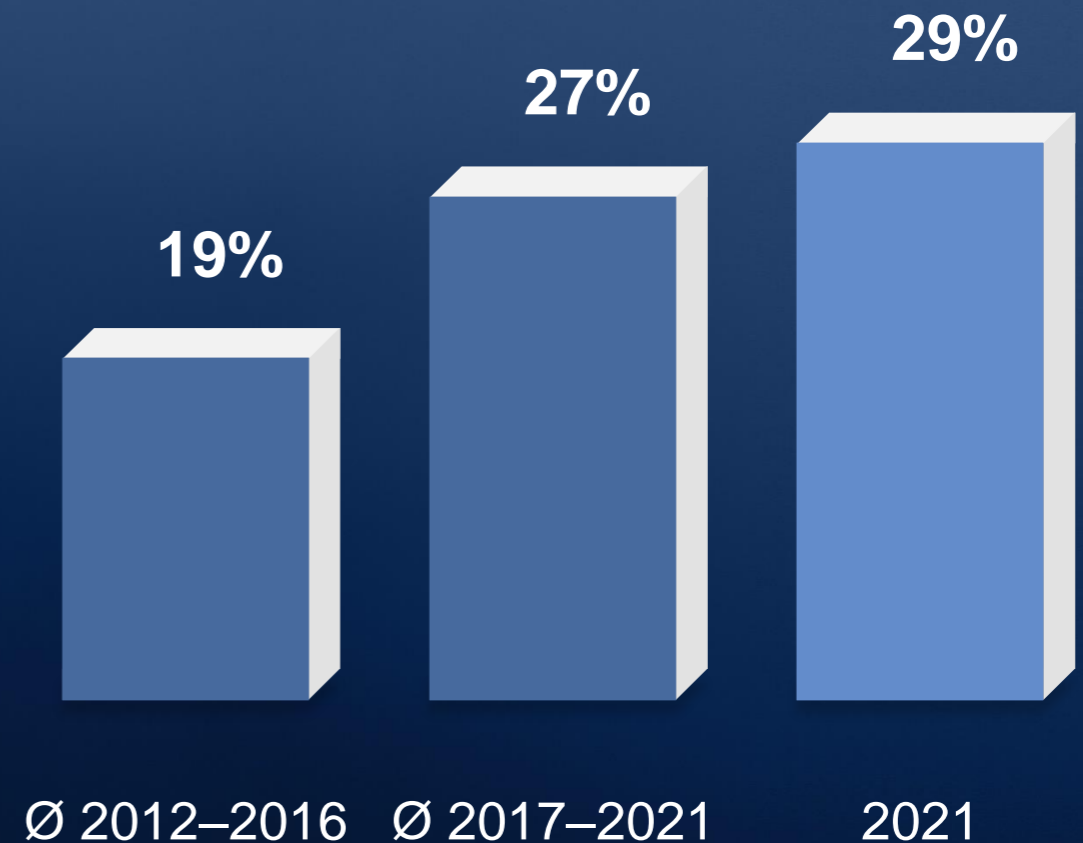


CHEMICALS: SPECIALTY FOCUS AND REGIONAL EXPANSION PAID OFF

CHEMICALS EBITDA in €m

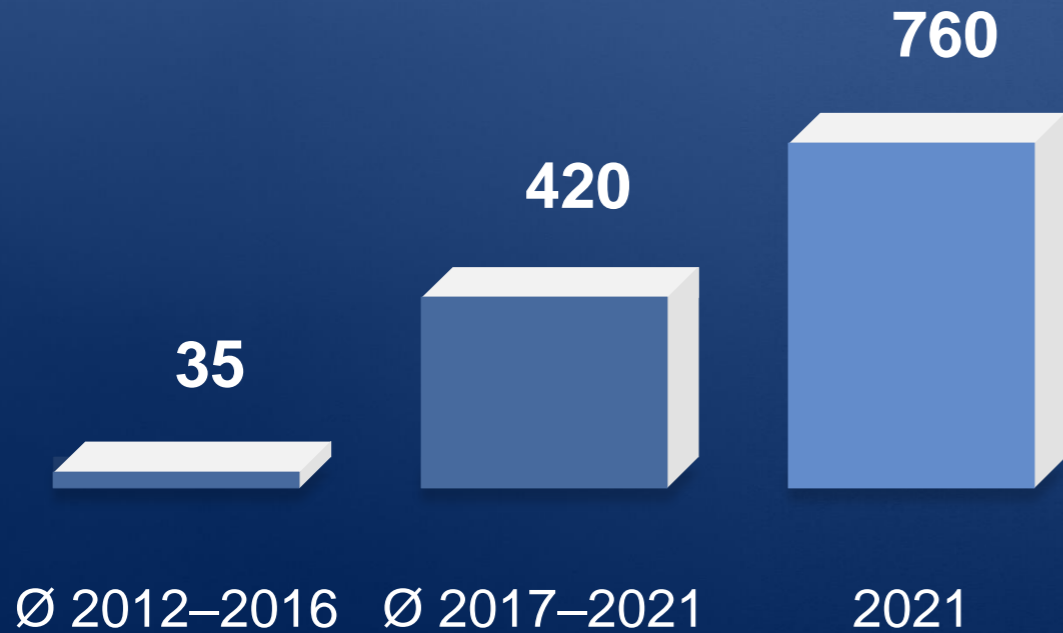


CHEMICALS ROCE

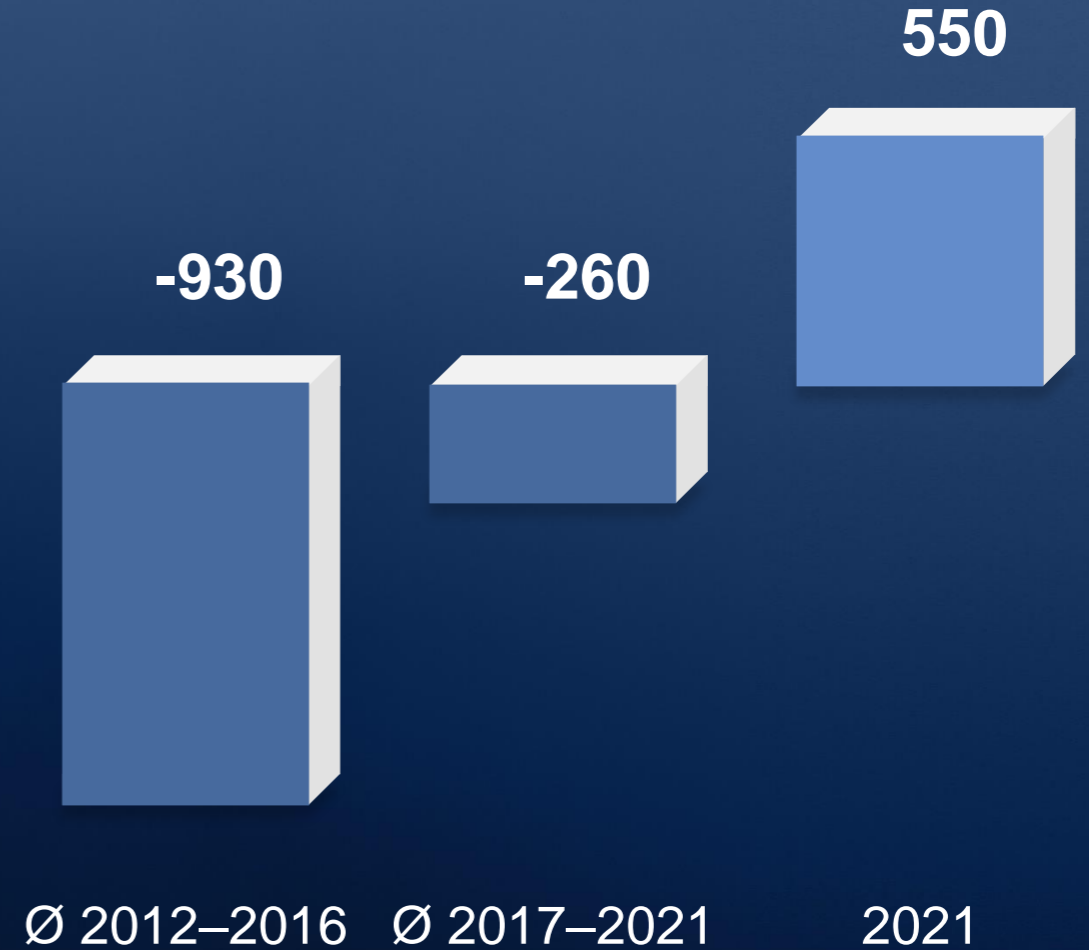


LEVERAGE PHASE HAS RESULTED IN STRONG FINANCIALS

WACKER Net Cashflow in €m



WACKER Net Cash Position in €m



**READY FOR
THE NEXT STEP:
SWITCHING GEARS
TO MEET
CUSTOMER PULL**



NOW: ACCELERATING FOR OUR CUSTOMERS' GROWTH

CHEMICALS

Accelerate Growth

Demand pull from sustainability

First choice for innovative and customized solutions

Further expansion of global presence, close to customers

BIOSOLUTIONS

Incubate, Innovate, Grow

Demand pull from advanced medicine and clean food

Strong investments in innovation

Bolt-on acquisitions

POLYSILICON

Strengthen Semi Position

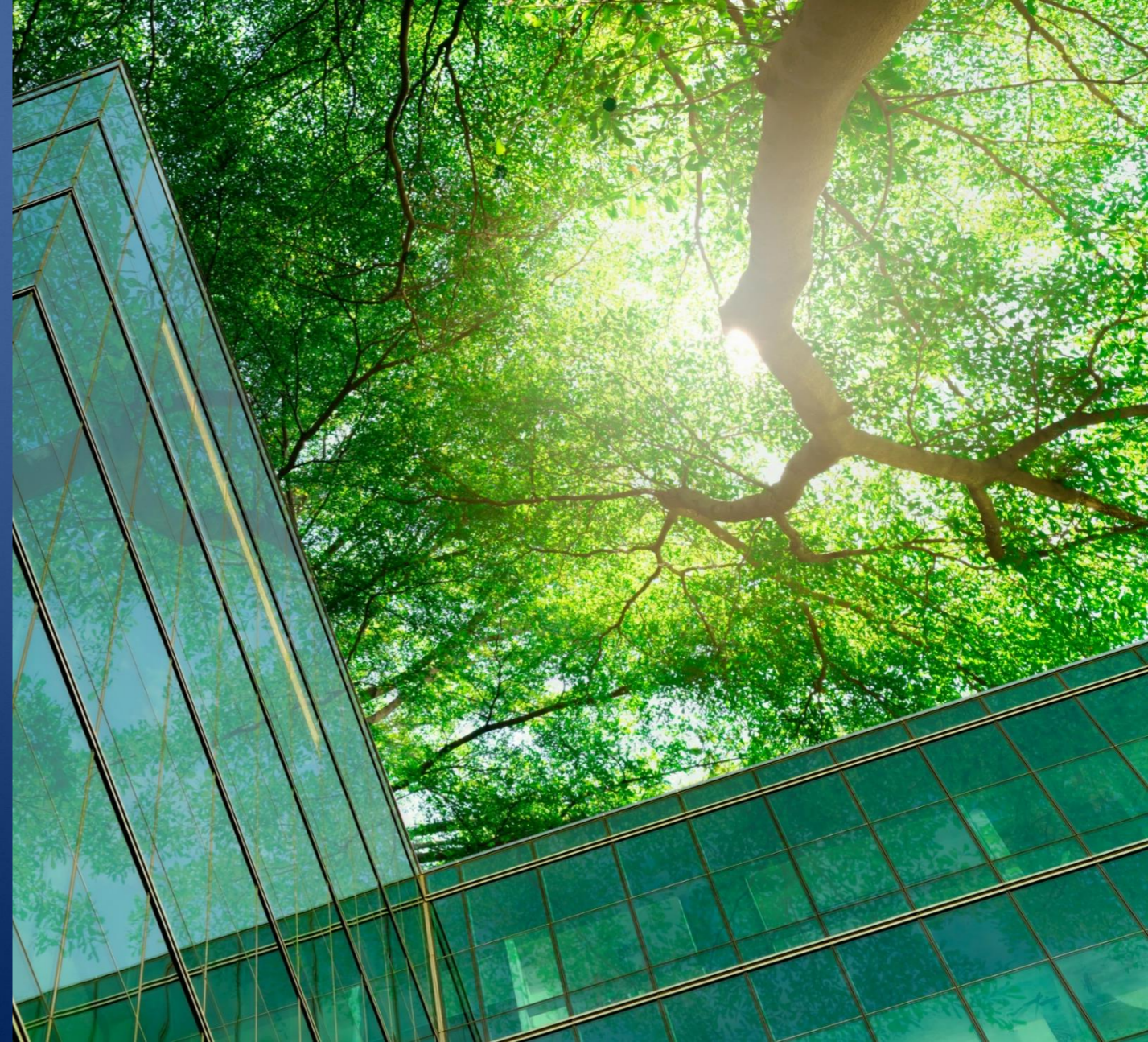
Demand pull from rapidly growing semi/solar markets

Strong long-standing cooperation with customers

Best-in-class sustainability

SUSTAINABILITY IS **THE** VALUE DRIVER

Already 2/3 of Sales
with resource
saving technologies





CHEMICALS

SILICONES | POLYMERS

SILICONES: SUSTAINABILITY PULL FOR SPECIALTY SOLUTIONS

Sustainable Raws

Durability and
Performance

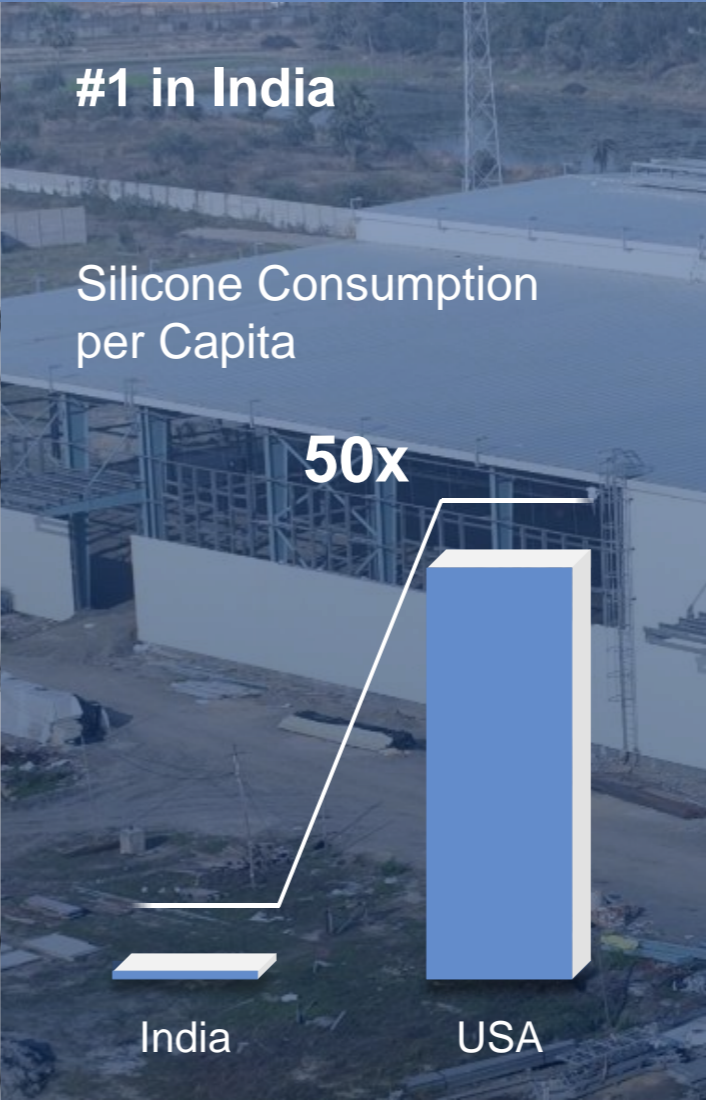
Renewable
Energy

E-Mobility



SILICONES: STRONGLY ACCELERATING GLOBAL SPECIALTY GROWTH

Our actions – Building on our strengths



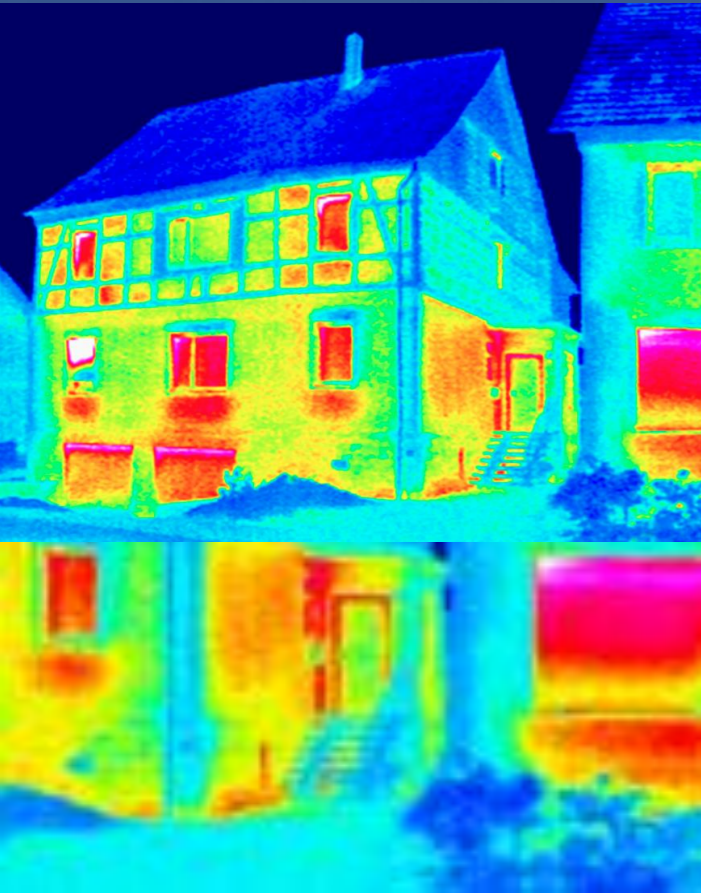
POLYMERS: PULL FROM SUSTAINABILITY AND SMART CONSTRUCTION

Customized
solutions

Global climate
policies

Plastic to paper
trend



Sustainable
product solutions



POLYMERS: PUSH MARKET PENETRATION BY DOUBLING CAPACITY

Our actions – Building on our strengths



-  Tandem Sites (DPP + VAE)
-  Technical Center

Lead the transformation to high construction standards in emerging markets

Accelerate regionalization with capacity push, innovation focus and customized solutions

Be close to the customers – with local champions and global players

Pushing for sustainable solutions

CHEMICALS: MEETING FAST-GROWING DEMAND WITH INVESTMENTS FOR SPECIALTY CAPACITIES

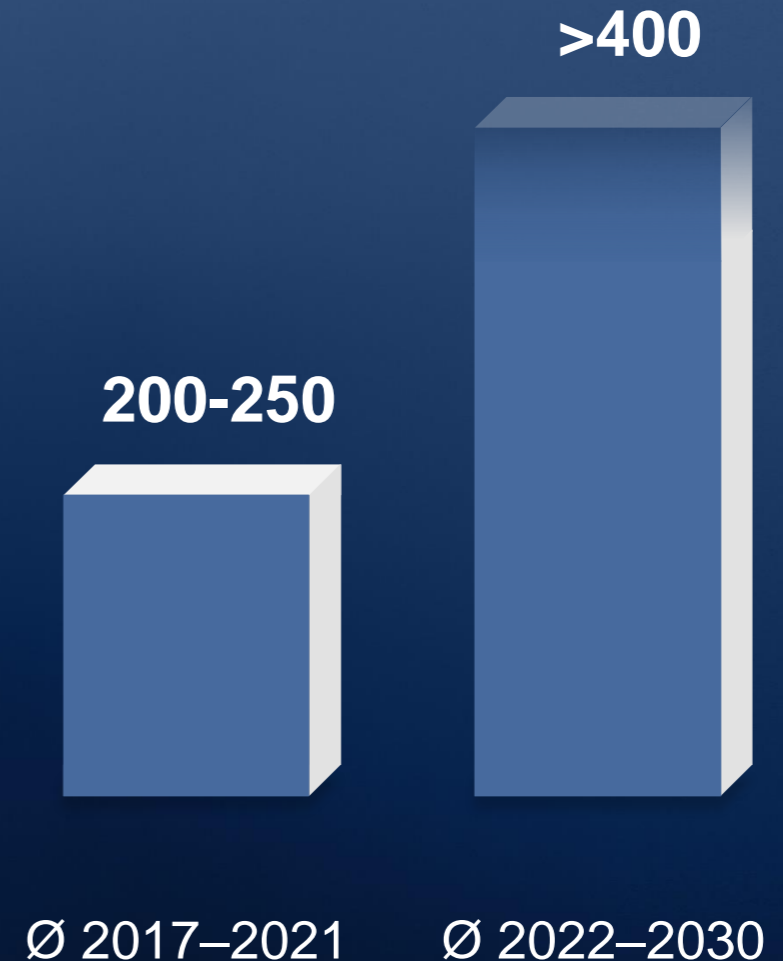
Double CapEx until 2030

Accelerate Chemical capacities in all regions

Diversified portfolio of downstream projects

Upstream investments,
solely for specialty growth

CHEMICALS CapEx in €m



NEW CHEMICALS TARGETS 2030

FASTER GROWTH, BOLDER MOVES, HIGHER PROFITABILITY

VOLUME/MIX CAGR: 1.5 – 2 x Historic

EBITDA Margin: > 20%

ROCE: > 2x Cost of Capital

CREATING
TOMORROW'S
SOLUTIONS





BIOSOLUTIONS

BIOSOLUTIONS: PULL FROM FAST-GROWING BIOTECHNOLOGY MARKETS

Advanced
Medicines
mRNA/pDNA

High growth
potential CDMO
outsourcing

Health and
wellbeing trend

Fermentation-
based ingredients

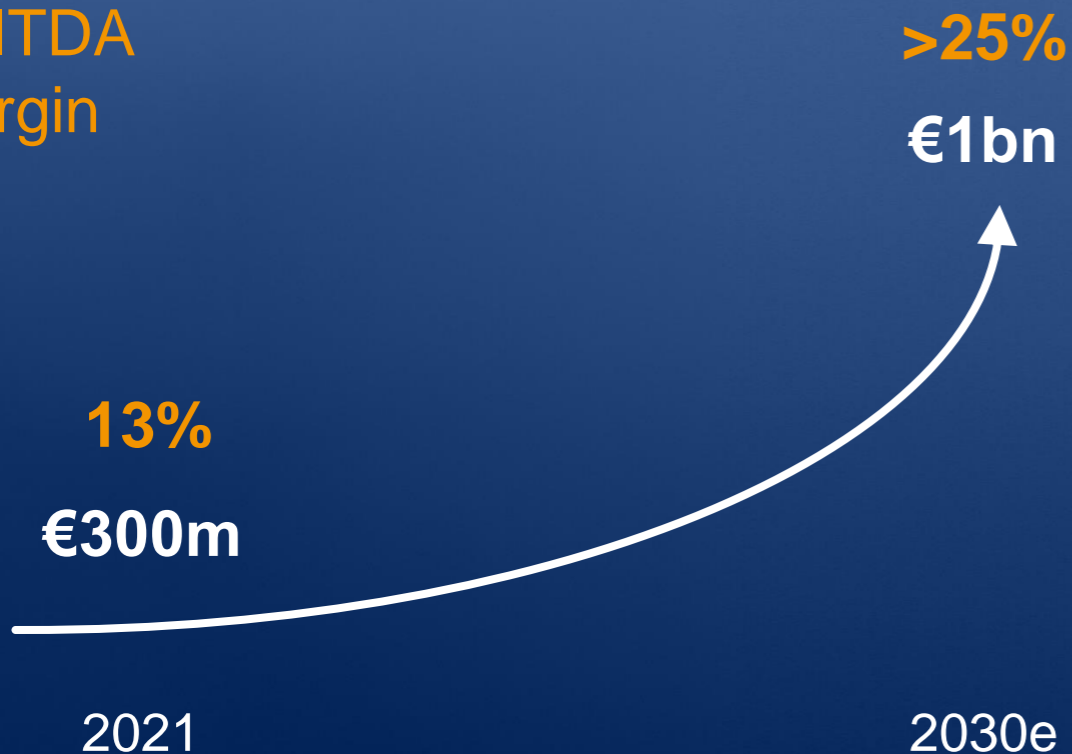


BIOSOLUTIONS: “ONE BILLION FROM BIO” – SHIFT TO HIGHER MARGINS

Our actions – Building on our strengths

Sales

EBITDA
Margin



Expand product portfolio and technologies with internal innovation, partnerships, M&A

Increase biotech capacities in Europe and US to meet growing demand

Continuously upgrade state-of-the-art facilities



POLYSILICON

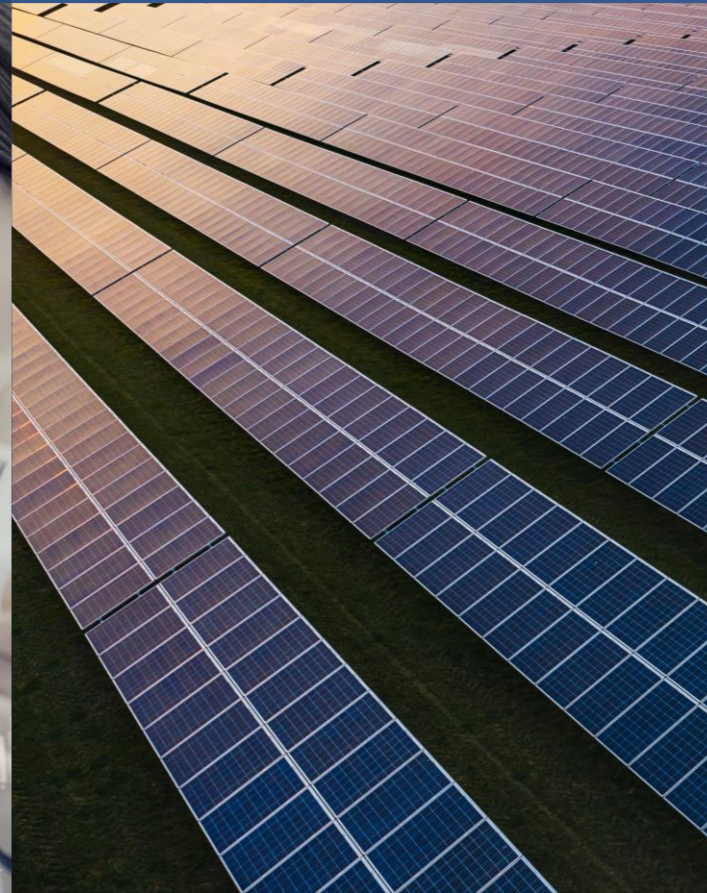
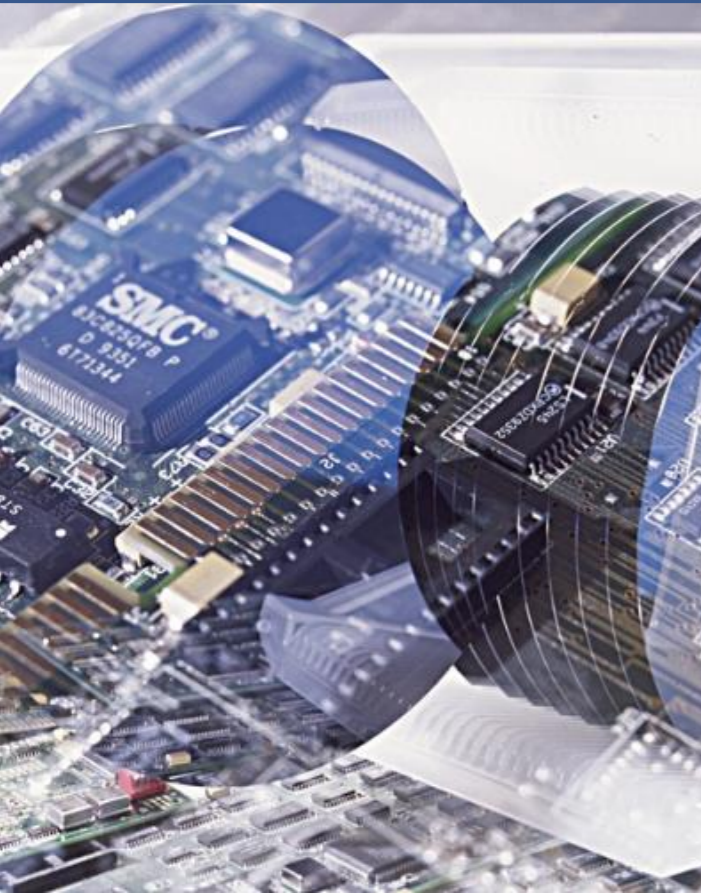
POLYSILICON: HIGH DEMAND, BENCHMARK QUALITY & SUSTAINABILITY

Fast-growing
chip demand

Strong customer
cooperation

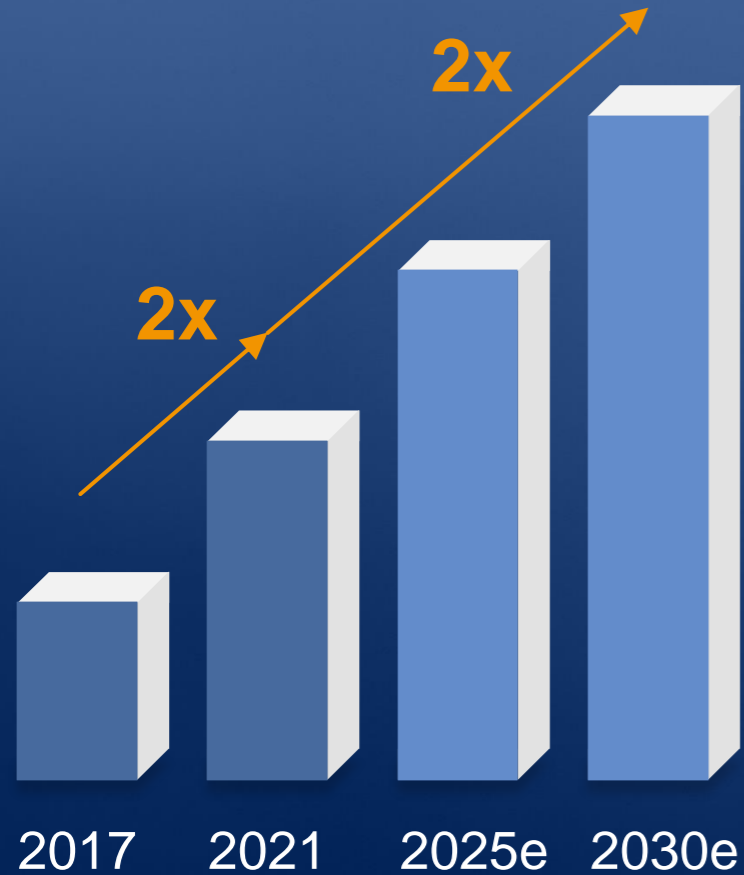
High efficiency
modules

Best-in-class
sustainability

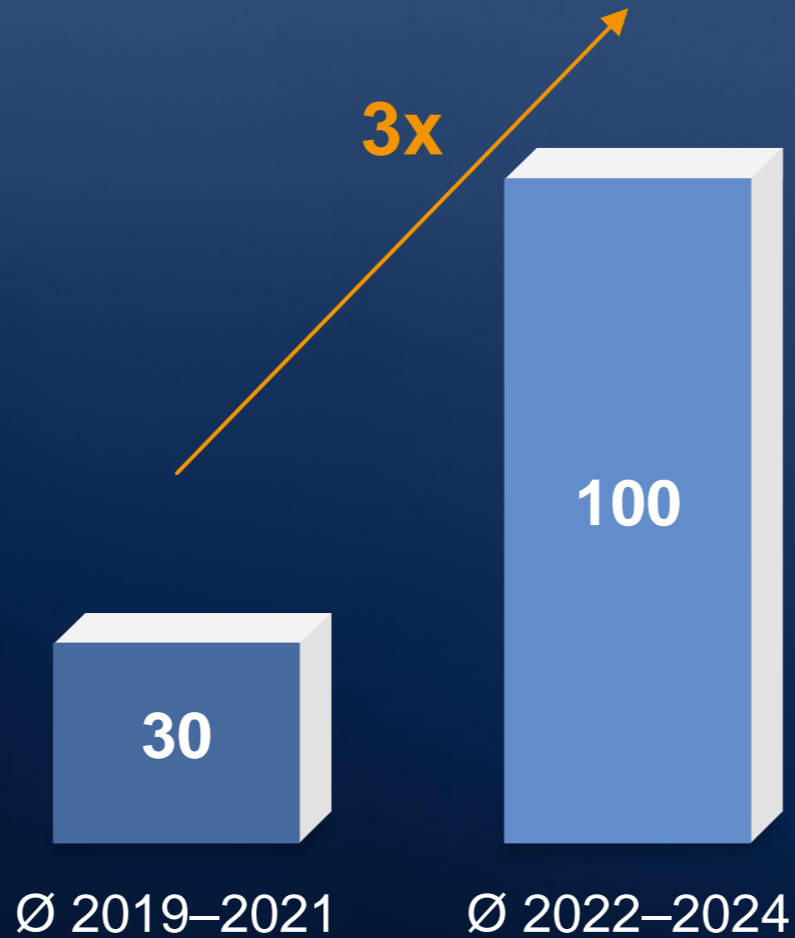


POLYSILICON: STRENGTHEN #1 POSITION IN SEMI

Semi Volume Growth



Annual Semi CapEx in €m



Targets 2030

> 30% EBITDA Margin

> 2x Cost of Capital

INTRODUCING GROUP TARGETS 2030

CHEMICALS

Accelerate Growth

EBITDA Margin

> 20%

ROCE

> 2x Cost of Capital

BIOSOLUTIONS

Incubate, Innovate, Grow

EBITDA Margin

> 25%

ROCE

>> 1x Cost of Capital

POLYSILICON

Strengthen Semi Position

EBITDA Margin

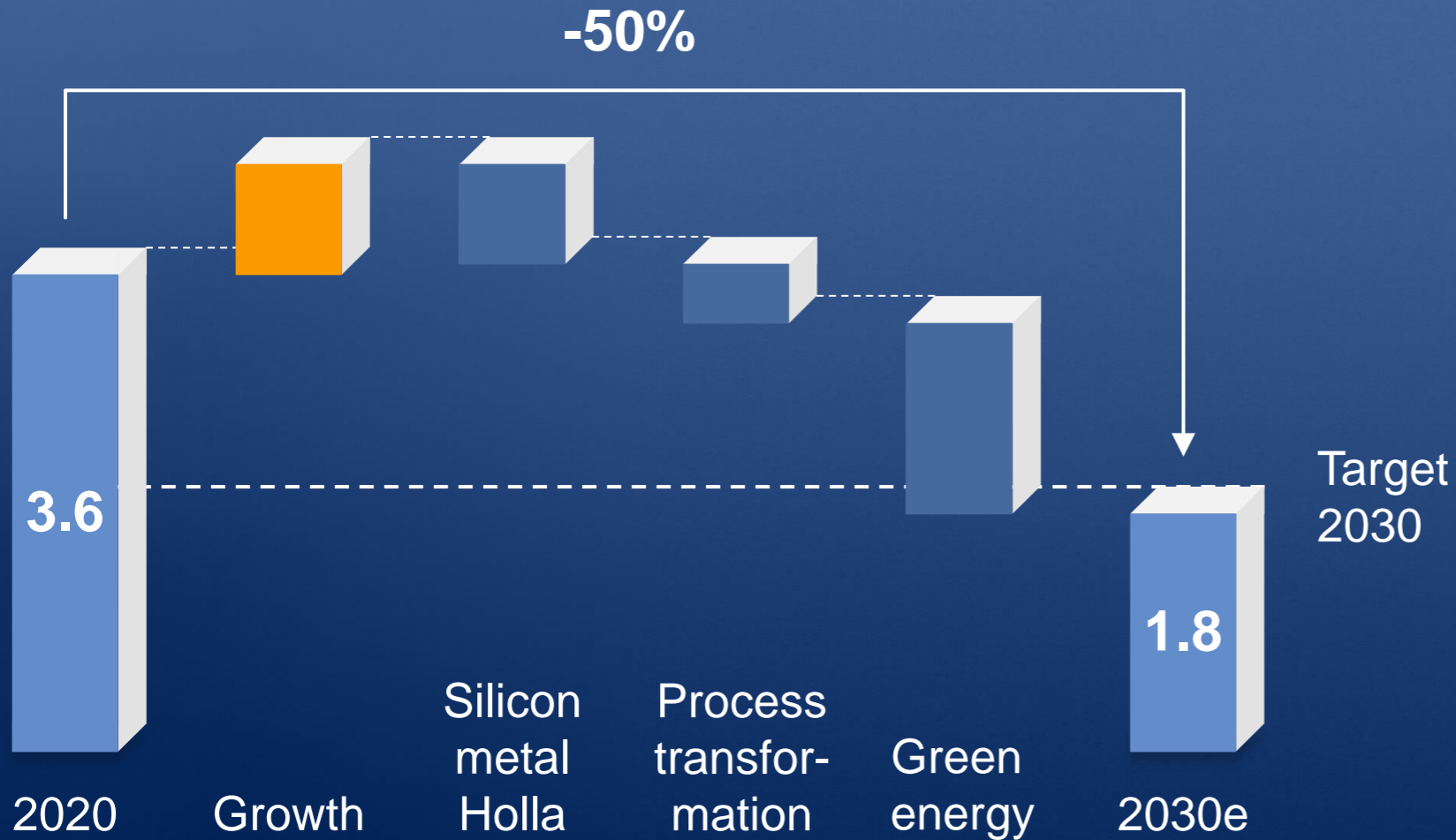
> 30%

ROCE

> 2x Cost of Capital

50% REDUCTION IN CO₂ EMISSIONS BY 2030 – FIRST SUCCESSES ACHIEVED

WACKER CO₂e in m t (Scope 1 & 2)



TARGETS 2030

SALES: > 10 bn EUR

VOLUME/MIX CAGR: 1.5 – 2 x Historic

ROCE: 2x Cost of Capital

EBITDA Margin: > 20%

CO₂e: - 50% Emissions

**CREATING
TOMORROW'S
SOLUTIONS**



A dark blue background featuring a faint, light blue silhouette of a world map. The map shows the continents of North America, South America, Europe, Africa, and Australia.

OUR FOUNDATION: MAINTAINING RESILIENCE

MAINTAINING RESILIENCE IN UNPRECEDENTED VOLATILITY

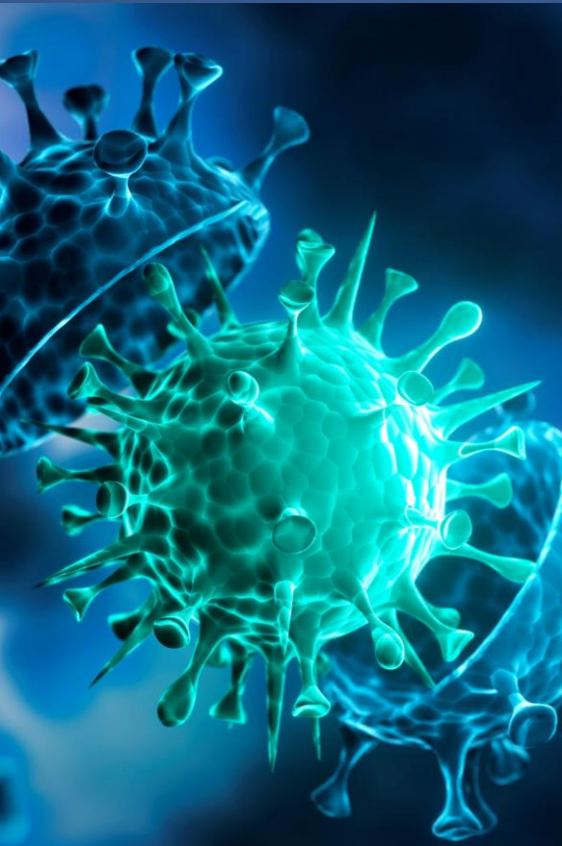
Pandemic

Regulation

**Supply Chain
Disruptions**

**Raw Materials
and Energy**

**Geopolitical
Conflicts**



SOURCING INITIATIVES TO MITIGATE PRICE VOLATILITY

Long-term strategies

 LTAs, selective backward integration

 Diversified supplier portfolio


 Staggered contract portfolio

 Hedging strategies

Short-term actions

 Tactical buying to exploit pricing volatility

 Further expanding supplier portfolio

 E-auctions

 Adjusting hedging strategies

SELECTIVE BACKWARD INTEGRATION FOCUSED ON MARGIN STABILIZATION AND SUSTAINABILITY

Production silicon metal at Holla (Norway)



Site acquired in 2010

Continuous modernization and expansion

Supply chain stability, margin stabilization

Outlook: CO₂-neutral silicon metal

PRICING POWER TO PROTECT FINANCIAL PERFORMANCE

CHEMICALS: Successful pricing initiatives

POLYMERS

Several price increases and temporary surcharges

Absolute EBITDA almost flat in 2021

SILICONES

Surging silicon metal prices in Q4/2021

Active pricing initiatives immediately started

Stable financial performance allows for continuous investments to serve customer needs

VAM-Prices (€/mt)



EBITDA POLYMERS (€m)



ADJUSTING PRICING MODELS TO COMPENSATE INFLATION

Model for Specialty Pricing

Customer benefit enables value-add pricing

Price adjustments over contract duration

High stability and predictability of sales

Importance of Customer Relationships

Long-term relationships

Based on quality, proximity and reliability

Mutual benefits from joint developments

Pricing Adjustments



Shorter contract duration for specialties



Clauses protecting against inflation



Temporary surcharges for costs levels



Higher share of formula-based contracts

LEAN COST STRUCTURE FROM ONGOING INITIATIVES

Overall Cost – "Shape the Future" Savings in €m vs. 2019

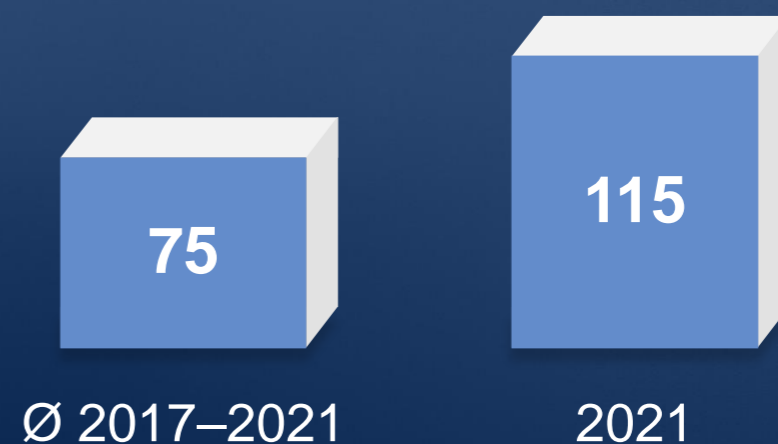


Addressing all indirect/non-operative functions

Creating a faster and leaner organization

Reducing personnel expenses and indirect spend

Operational Efficiency – "WOS" Savings in €m vs. prior year

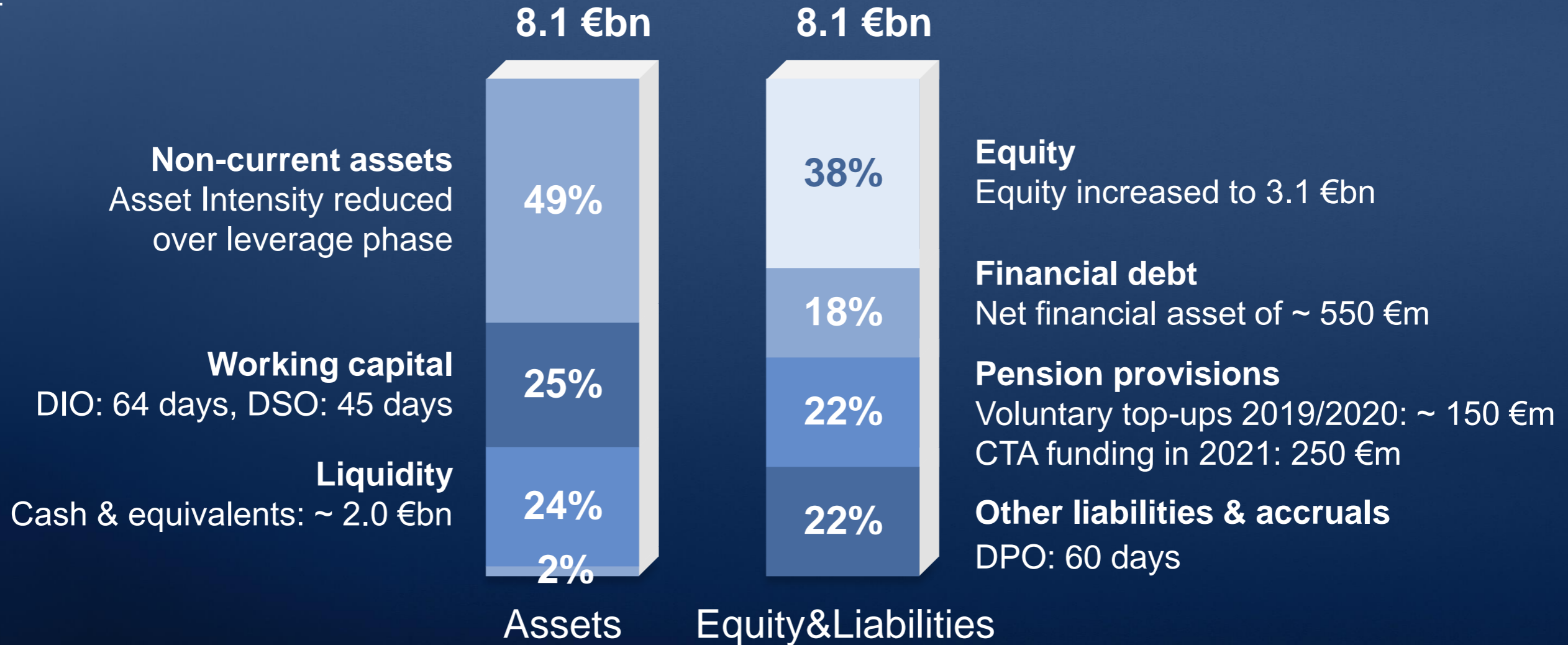


POLYSILICON: Cost road maps

CHEMICALS: "Wacker Operating System" (WOS)

STRONG BALANCE SHEET: RESILIENCE FOR GROWTH

Balance Sheet 2021



A dark blue background featuring a faint, stylized world map. The map is centered and shows the outlines of continents in a slightly lighter shade of blue.

GOING FORWARD: HIGHLY PROFITABLE GROWTH AND SHAREHOLDER RETURNS

INTRODUCING GROUP TARGETS 2030

CHEMICALS

Accelerate Growth

EBITDA Margin

> 20%

ROCE

> 2x Cost of Capital

BIOSOLUTIONS

Incubate, Innovate, Grow

EBITDA Margin

> 25%

ROCE

>> 1x Cost of Capital

POLYSILICON

Strengthen Semi Position

EBITDA Margin

> 30%

ROCE

> 2x Cost of Capital

CLEAR PATH FORWARD: FOCUS ON GROWTH AND VALUE

Key Initiatives and Performance Indicators 2022 - 2026

CHEMICALS

Further regionalizing supply chain and earnings-accretive bolt-ons

Volume / sales growth p.a.

1.5-2x historic volume/mix CAGR, from 4-5% historically to 6-10%

CapEx p.a. > 400 €m

ROCE > 2x Cost of Capital

BIOSOLUTIONS

Strong investment in innovation and early-stage bolt-ons

Volume / sales growth p.a.

Organic growth: > 10%
Inorganic growth: 5-10%

CapEx p.a. > 80 €m

ROCE ≤ Cost of Capital

POLYSILICON

Investments in semi and cost efficiency

Volume / sales growth p.a.

Portfolio shift to semi

CapEx p.a. ~ 100 €m

ROCE > Cost of Capital

FLEXIBILITY FOR FINANCIAL LEVERAGE: 1.0X EBITDA

Target Range Defined by Net Financial Debt / EBITDA



Target Range – Leverage Phase

Target range set at 0.5 – 1.0x EBITDA

If outside target range, actions to bring leverage back

Update

Flexibility set at 1.0x EBITDA

Sufficient headroom for growth ambitions

PRIORITIES FOR CAPITAL ALLOCATION

1

Growth

CapEx and M&A

2

Shareholder Returns

Dividends

3

Pensions

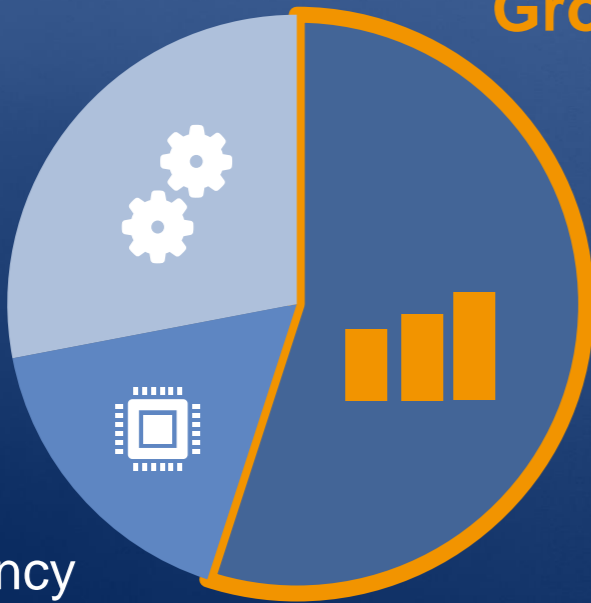
Reform

CAPEX WITH FOCUS ON HIGHLY PROFITABLE GROWTH

Target CapEx Split 2022 – 2026

Sustainability/MoB

Growth



Cost/Efficiency

High-Return Growth CapEx

Accelerate Chemical Capacities in all regions

Close to customers

Short supply chain

Diversified portfolio of downstream projects

Upstream investments solely for specialty growth

No major greenfield investments

Demanding KPIs for profitability & sustainability

INCREASING IMPORTANCE OF M&A – DIFFERENT FOCUS IN CHEMICALS AND BIOSOLUTIONS

M&A Transactions 2013-2022

2022 SICO – Specialty Silanes



2021 Genopis – CDMO p-DNA



2018 SynCo Bio – CDMO



2016 ADL Leon – Fermentation plant



2014 SCIL Proteins – CDMO



M&A Transaction Criteria

BIOSOLUTIONS

New technology / extend product portfolio

Early-stage assets / create synergies

Lagging effect on sales and earnings

CHEMICALS

New technology / extend product portfolio

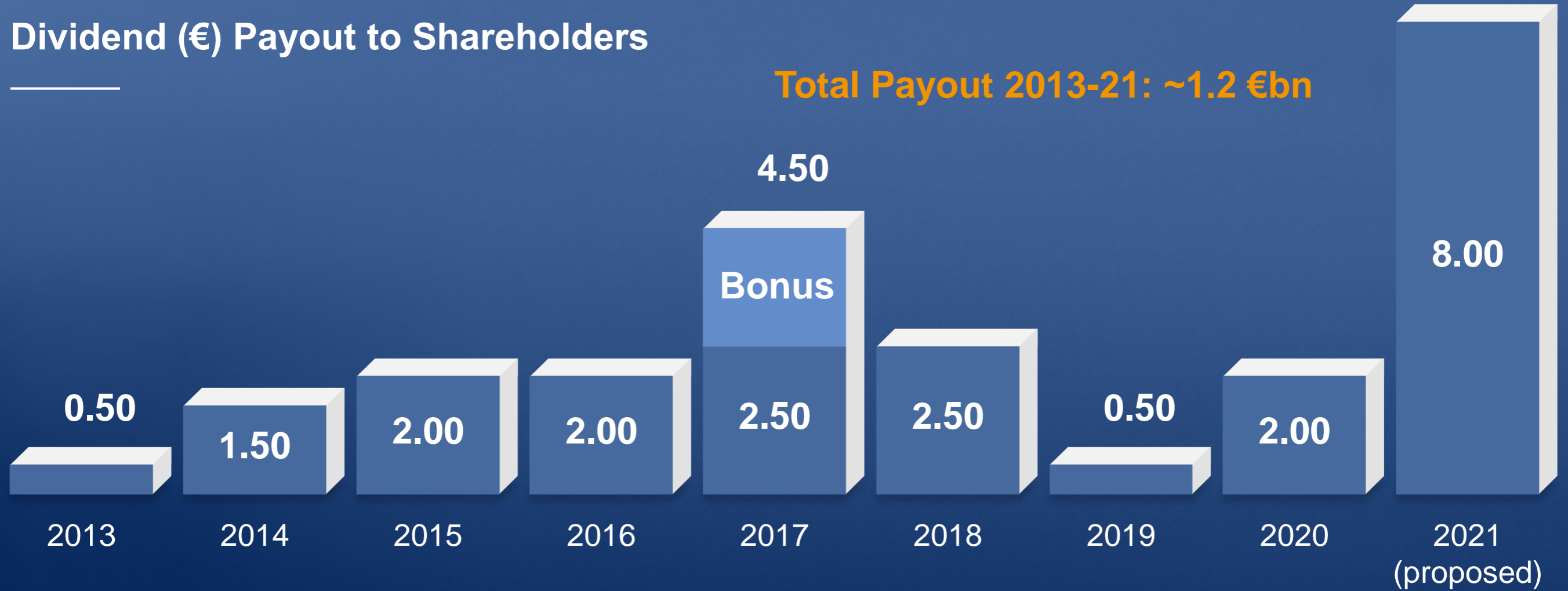
Strengthen market position / Extend value chain

Immediately earnings accretive

DIVIDEND POLICY CONFIRMED – STRONG COMMITMENT TO SHAREHOLDERS

Dividend (€) Payout to Shareholders

Total Payout 2013-21: ~1.2 €bn

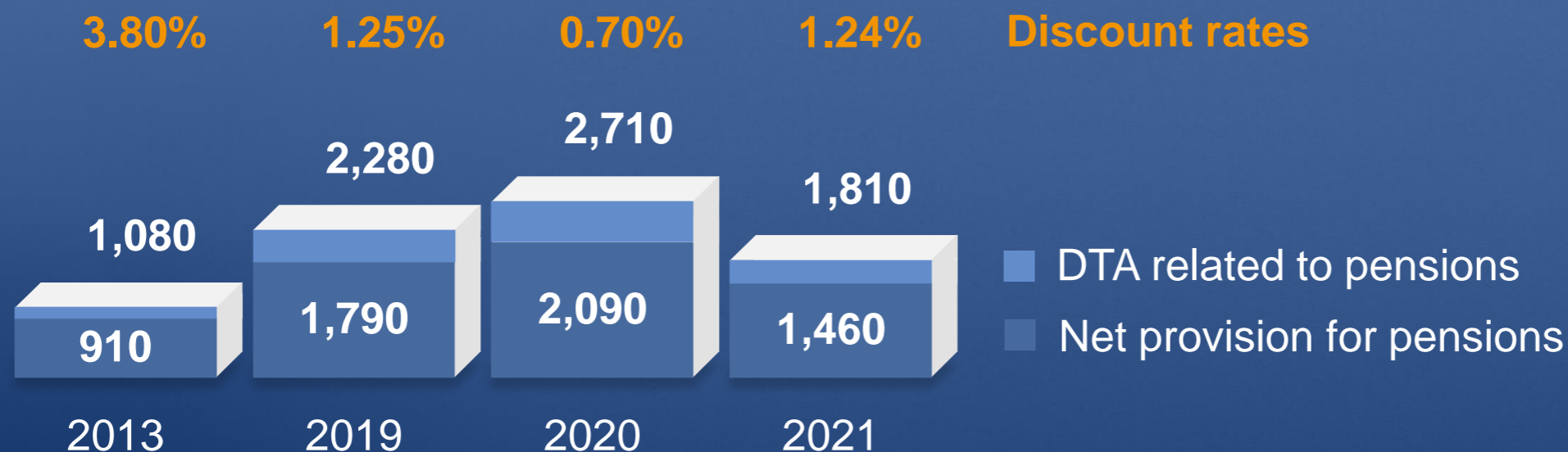


≥ 25% of net income

~50% of net income from continuing operations,
temp. deviations possible

INITIATIVES UNDERWAY TO REDUCE PENSION DEFICIT

Pensions Provisions (€m)



Situation

Volatility from fluctuations in discount rates
Voluntary top-ups in 2019/20 of ~ 150 €m
CTA in 2021 with initial funding of 250 €m

Outlook

Sensitivity interest rate: +0.5%-point: ~ 400 €m
New elements in current system (payout): ~ 200 €m
2030: < 25% of employees in legacy system

A dark blue background featuring a faint, light blue silhouette of a world map. The map shows the continents of North America, South America, Europe, Africa, and Asia.

**MAINTAINING RESILIENCE,
HIGHLY PROFITABLE GROWTH
AND SHAREHOLDER RETURNS**

TARGETS 2030

SALES: > 10 bn EUR

VOLUME/MIX CAGR: 1.5 – 2 x Historic

ROCE: 2x Cost of Capital

EBITDA Margin: > 20%

CO₂e: - 50% Emissions

**CREATING
TOMORROW'S
SOLUTIONS**



A dark blue background featuring a faint, light blue silhouette of a world map. The map shows the continents of North America, South America, Europe, Africa, and Asia.

CREATING
TOMORROW'S
OUR SOLUTIONS
MAKE A BETTER WORLD
FOR GENERATIONS

DISCLAIMER

This presentation contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update its forward-looking statements, nor does it assume the obligation to do so.

WACKER: ISSUER, CONTACT AND ADDITIONAL INFORMATION

Issuer and Contact

INVESTOR RELATIONS CONTACTS

Joerg Hoffmann, CFA

Tel. +49 89 6279 1633 | joerg.hoffmann@wacker.com

Scott McCollister

Tel. +49 89 6279 1560 | scott.mccollister@wacker.com

Wacker Chemie AG

Hanns-Seidel-Platz 4, D-81737 Munich

investor.relations@wacker.com

Financial Calendar

04/28/22 Q1 2022 Results

05/20/22 Annual General Meeting

07/28/22 Q2 2022 Results

10/27/22 Q3 2022 Results

Additional Information



ISIN
WKN
Deutsche Börse

DE000WCH8881
WCH888
WCH

Publications



CUSTOMER MAGAZINE



FACTBOOK



SUSTAINABILITY REPORT



SQUARE APP